

Plastics Machinery & Resin Industry

The Chilean plastics and resins industry has grown steadily for the last fifteen years. This industry represents a total demand of 538,000 metric tons/year, amounting to US\$450 million in 2002, of which 42% is imported.

Market Overview

- ▶ The plastic materials market is expected to grow up to 10% per year from 2004 to 2006.
- ▶ During 2003, imports of plastics processing machinery grew approximately 15%.
- ▶ Chile's per capita consumption of plastic resins was 97 lb per year in 2001, and is expected to grow to 121lb per year from 2004 on.
- ▶ This industry consists of some 500 plastics transforming companies, of which 80% are concentrated in the capital city of Santiago.
- ▶ Over half of all local companies are small to medium sized –employing on average between 50 and 200 workers. The entire industry provides employment to approximately 30,000 people.
- ▶ Santiago and the port city of Valparaíso account for 80% of demand in Chile.

Plastics Processing Machinery

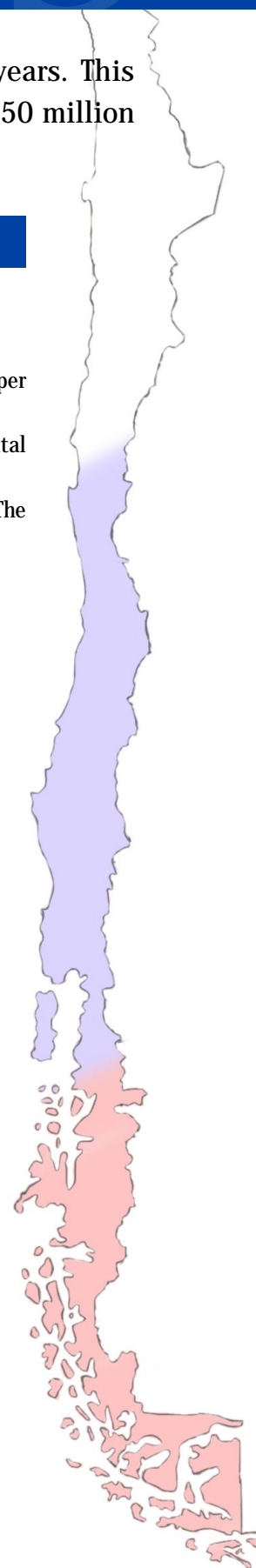
Millions of U.S. Dollars	2001	2002	2003 ^(e)	Projected Avg. Annual Growth Rate 2004-2006
Total Market Size	32	35	40	10%
Local Production	2.9	3.2	3.5	10%
Exports	0.9	1.2	1.4	15%
Imports	30	33	38	15%
Imports from U.S.	5.2	3.3	5.0	20%

Plastics Materials

Millions of U.S. Dollars	2001	2002	2003 ^(e)	Projected Avg. Annual Growth Rate 2004-2006
Total Market Size	480	450	500	10%
Local Production	220	299	330	10%
Exports	84	40	45	15%
Imports	344	191	215	12%
Imports from U.S.	52	22	27	15%

U.S. Position

- ▶ In 2002, the U.S. was the fourth largest supplier of Chilean imported plastics material and resins, amounting to an 11.5% share of the import market, behind Brazil (21.4%), South Korea (14.4%), and Argentina (14.1%).
- ▶ In plastics processing machinery and equipment, U.S. exports represented 10% of the market share in 2002.
- ▶ In 2002 the U.S. import market share of plastics processing machinery was 10%; spare parts for machines and equipment used in plastics processing (44%), machinery to process plastics and rubber (26%), and plastic extrusion machinery (15%).

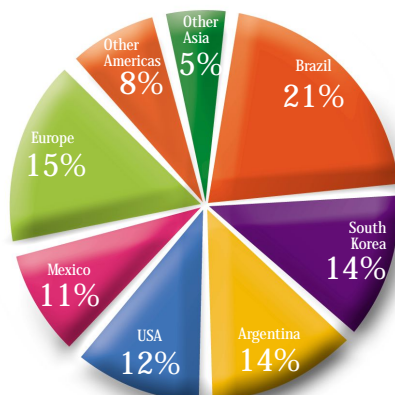


Competitors

- ▶ European suppliers dominate the plastics machinery and equipment market, with a 72% market share. However, the recently enacted U.S.-Chile Free Trade Agreement seeks to level the playing field by wiping out duties on most imports from the U.S.
- ▶ Brazil and Argentina accounted for the largest share of all Chilean imports of plastics materials in 2002.

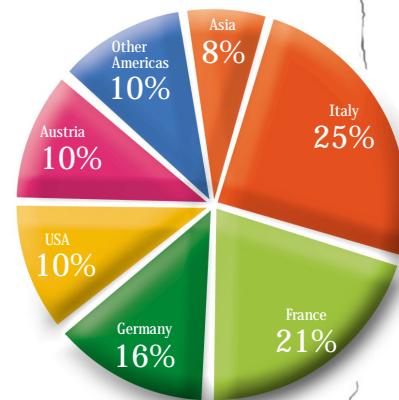
Plastics Materials: Import Market Share (2002)

Source: Chilean Customs



Plastics Processing Machinery: Import Market Share (2002)

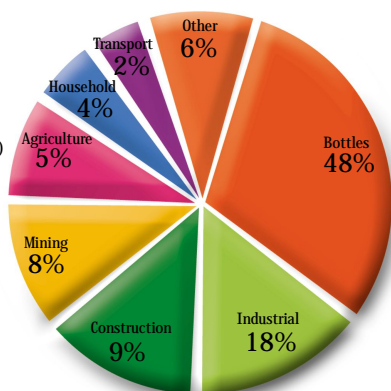
Source: Chilean Customs



Principal Sub Sectors

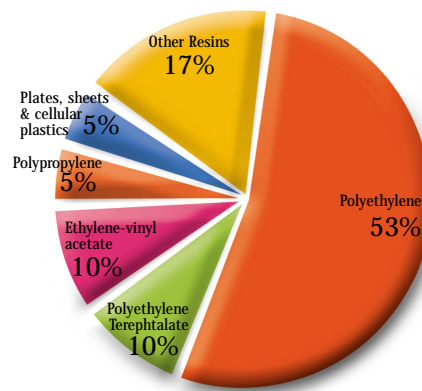
Sector Profile

Source: Chilean Industrial Plastics Association (ASIPLA)



Plastics Materials & Resins Imports

Source: Chilean Customs



Commercial Opportunities

- ▶ HDPE (8.5% growth/year), LDPE (3.5% growth/year), Polypropylene (HS 390120), and Polypropylene Copolymers (HS 390210 & 390230; 17.4% growth/year), and Polyethylene Terephthalate (PET) (HS 390760; 16.1% growth/year). As a whole, these items represented 332,370 metric tons, or 62%, of Chile's 2002 demand for all plastics raw materials.
- ▶ Plates & Sheets (HS 392099)
- ▶ Cellular plastics (HS 392190)
- ▶ Processing Machinery and Equipment
- ▶ Other Plastics Products: Packing and Packaging, Industrial Applications, Construction, Mining and Agricultural Industries (these applications comprise 80% of plastic product demand).

Other Resources

- ▶ USDOC Local contact: Ricardo Peláez, CS Akron Trade Specialist: Ricardo.Pelaez@mail.doc.gov
- ▶ USDOC Trade Development Contacts: Dawn Kawasaki: Dawn_Kawasaki@ita.doc.gov, for Plastics Machinery and Kim Copperthite: Kim_Copperthite@ita.doc.gov, for Plastic Resins and Plastics Products.
- ▶ Chilean Plastics Industrial Association (ASIPLA), www.asipla.cl

CONTACT US

We hope that you find this information useful. If you would like further information, please contact Carlos.Capurro@mail.doc.gov, the CS Santiago Plastics and Resin Industry Specialist. Visit our website (www.buyusa.gov/chile) to discover other commercial opportunities in Chile. (January, 2004)

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